

A RESOLUTION

State Health Benefit Plan Employer Contribution Rates

WHEREAS, the State Health Benefit Plan (“SHBP”) is comprised of three health insurance plans, each supported by its own fund: 1) a plan for State employees (O.C.G.A. § 45-18-2), 2) a plan for teachers (O.C.G.A. § 20-2-891), and 3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911); and

WHEREAS, pursuant to O.C.G.A. §§ 45-18-12(b), 20-2-891(c), and 20-2-918(b) the Commissioner of the Department of Community Health is permitted to combine the three funds supporting the three plans (together, the “State Health Benefit Plan” or “SHBP”) in order to pay benefits due under any of the plans; and

WHEREAS, Georgia law requires that all SHBP employer contribution requirements must be approved by the Governor and the Board and memorialized by Board resolution; and

WHEREAS, O.C.G.A. § 45-18-14 provides for the Board of Community Health (the “Board”) and the Governor to establish the rate that each department, board and agency of the executive and judicial branches of state government shall contribute to the health insurance fund for State employees as their portion of the cost of benefits payable under that plan (the “State Employee Plan Employer Contribution Rate”); and

WHEREAS, the House Budget Office, the Senate Budget Office, and the Governor’s Office of Planning and Budget have confirmed that the Amended Budget for FY2011 will set a maximum State Employee Plan Employer Contribution Rate for FY2011 at an amount no lower than the aggregate rate of 25.100% of total salaries; and

WHEREAS, in order to ensure that the aggregate State Employee Plan Employer Contribution Rate for July 1, 2010 – June 30, 2011 does not exceed the maximum rate of 25.100% of total salaries for FY2011, the State Employee Plan Employer Contribution Rate must be reduced to 22.667% of total salaries for the last two months of the fourth quarter of FY2011; and

WHEREAS, O.C.G.A. § 20-2-892 provides for the Board and the Governor to establish the rate that each local school system, library, and Regional Educational Service Agency (“RESA”) shall contribute to the health insurance fund for teachers as their portion of the cost of benefits payable under that plan (the “Teachers’ Plan Employer Contribution Rate”); and

WHEREAS, the General Assembly approved a maximum Teachers’ Plan Employer Contribution Rate for July 1, 2010 – June 30, 2011 of 18.534% of state-based salaries for local school systems and RESAs and 18.534% of total salaries for libraries for FY2011, and the House Budget Office, the Senate Budget Office and the Governor’s Office of Planning and Budget have confirmed that this maximum rate will not be changed by the Amended Budget for FY2011; and

WHEREAS, in order to ensure that the aggregate Teachers’ Plan Employer Contribution Rate for July 1, 2010 – June 30, 2011 does not exceed the maximum rate of 18.534% of state-based

salaries for local school systems and RESAs and 18.534% of total salaries for libraries for FY2011, the Teachers' Plan Employer Contribution Rate must be reduced to 1.429% of state-based salaries for local school systems and RESAs and 1.429% of total salaries for libraries for the last two months of FY2011; and

WHEREAS, SHBP Regulations § 111-4-1-.02 (2)(d) provides "2. The State Department of Education Employer Contribution Rate for the Public School Employee Health Insurance Fund may be a dollar amount as identified in the Appropriations Act" (the "Department of Education Non-Certificated Public School Employee Contribution") and "3. The local school system Employer Contribution Rate for the Public School Employee Health Insurance Fund may be a dollar amount per Enrolled Member and shall be remitted to the Administrator on a monthly basis" (the "Non-Certificated Public School Employee PMPM Contribution Rate"); and

WHEREAS, the General Assembly approved a maximum Department of Education Non-Certificated Public School Employee Contribution in the amount of \$30,261,983.00 for FY2011, and the House Budget Office, the Senate Budget Office and the Governor's Office of Planning and Budget have confirmed that this maximum amount will not be increased by the Amended Budget for FY2011; and

WHEREAS, the entire Department of Education Non-Certificated Public School Employee Contribution of \$30,261,983.00 has been received; and

WHEREAS, the Non-Certificated Public School Employee PMPM Contribution rate of \$218.20 must be increased to \$246.20, effective for May, 2011 billing and continuing until changed by Board resolution, in order to support the ongoing financial stability of the SHBP; and

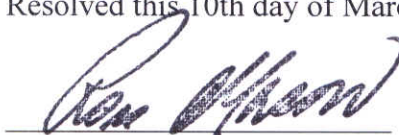
WHEREAS, based on projected revenue, it is expected that there will be sufficient assets in the combined funds to pay projected SHBP costs for the remainder of FY2011:

NOW, THEREFORE, LET IT BE ORDERED THAT the State Employee Plan Employer Contribution Rate shall be 22.667% of total salaries for the last two months of the fourth quarter of FY2011; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Teachers' Plan Employer Contribution Rate shall be 1.429% of state-based salaries for local school systems and RESAs and 1.429% of total salaries for libraries for the last two months of the fourth quarter of FY2011; and

NOW THEREFORE, LET IT BE ORDERED THAT the Non-Certificated Public School Employee PMPM Contribution Rate shall be \$246.20 per member per month, effective for May, 2011 billing and continuing until changed by Board resolution.

Resolved this 10th day of March, 2011 in public session.



ROSS MASON
Chairman



ARCHER R. ROSE
Secretary